

Competition Tribunal Act

being of Canadians, we have enough Hon. Members in the House to ensure we can carry on a lawful debate on these questions.

The terrible realities of the weakness of competition law, the failure of the law to deal with mergers of the sort which could lead to market dominating combinations, the failure of Canadian law to ever grapple with the existence of monopolies in various areas, have led to the situation that the Hon. Member for Winnipeg North (Mr. Orlikow) was pointing to yesterday. Attempts have been made to calculate the costs to Canadians of our competition law. These estimates suggest that it could be as much as 7.5 per cent of GNP. That is a cost to consumers of \$31 billion. That is an incredible amount of money.

The weakness of the law has led to a situation where Canada has such a concentrated economy with a small number of families and economic interests controlling so many companies and so much of what goes on in the economy, that the Canadian Bankers' Association, that small club of chartered banks, admittedly added to by some international banks in the last years, could point to concentrations in those other areas. That is the end result of competition law, the failure of it, in this country.

● (1700)

The Government has taken the same approach again in that it has consulted with these leading business interests, satisfied them, had the advice of corporate lawyers *ad nauseam*, and given us a law that leaves out many of the provisions we need for class action and so on. These are the reasons I join with my colleagues in our caucus in opposing this Bill with all the energy I can bring to bear.

I call upon the Government to respond to the concerns of its own back-benchers and give us a law which will really allow us to create the competition which the Government says it wants to create and which Canadian consumers so desperately need if we are to have an effective economy.

Mr. Rod Murphy (Churchill): Mr. Speaker, I too wish to speak to the legislation in front of us today. It has been a concern of mine for many years that we have not developed a piece of legislation which will ensure a competitive state in terms of our economy. For years we have heard people from all three political Parties get up in the House and talk about the virtues of small business. They have extolled the fact that it is the backbone of our economy and that men and women involved in small businesses create jobs for many Canadians. Yet over the years we have seen a small group of people gain almost complete control of our economy. We have seen figures which suggest that nine families have virtual control of our economy.

Whether it was under the previous Liberal Government, or the present Government, we have not seen legislation pass the House of Commons which would in any way, shape or form give us the ability to control the corporate conglomerates

which are running our country. This is not just a view based on political philosophy or on whether one believes that large corporations dominate control of the economy, which I believe is the case. It is a matter of effective management. Yesterday, the Hon. Member for Winnipeg North in speaking to this Bill talked about Noranda Mines taking over MacMillan Bloedel for \$626 million. He went on to point out that later on Brascan took over Noranda for \$1.6 billion. All that money did not create any new jobs. It did not mean new research and development or new competitiveness, which is what some people say is necessary. What it meant is that the management of MacMillan Bloedel passed to Noranda Mines and then it passed to Brascan. The people in Brascan did not know anything about the lumber industry and they knew very little about mining. What happened was the taking away of effective management. Instead of having people who are actually involved in one particular industry looking after their factories, shops, mines, et cetera, we start a system of developing large conglomerates. This takes away management from the actual shop floor and the business which it manages.

I am sure many Canadians believe it to be true that we are developing a system in which we are passing over the financial management of firms and leaving the actual decision making to those who are not capable of making decisions. In other words, as we build these economic empires which quite often benefit from tax loopholes we end up with a situation in which important management decisions cannot be made by the people who are at the top of the pyramid. The people at the top of the pyramid may know how to take advantage of tax loopholes. They may also know how to win a phoney paper battle in the stock exchanges of the country. But they know very little about operating the mine of which they are now the owners; or they may know very little about the operations of a forest industry company such as MacMillan Bloedel. So it is of concern that we have lost the ability to manage based on experience in the industry because the ownership has transferred from the industry to a financial holding company which really has no knowledge and no expertise in the very corporations which they are now controlling.

I have similar concerns with respect to the way ownership has been concentrated in many of our other industries. The present Government and the previous Liberal Government talked about deregulation in order to increase competition. To illustrate my next point I will take the example of our airline companies. We talked about deregulation at the same time as we saw one airline take over other airline companies, or at least attempt to do so. For example, Canadian Pacific took over Eastern Provincial. It is now trying to take over Nordair. We are in a situation in which we talk about deregulation with the idea of creating more competition while at the same time we allow more corporate concentration. In effect, this means that the decision making of Canadian Pacific will certainly not be of the type that is needed in order to foster more companies competing for business.